Government equity in Bank of Baroda, SBI and PNB

2053. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item under the caption "Government equity in banks may be hived off which appeard in the Statesman, dated 17th February, 2000;

(b) if so, whether Government is bringing down the Government's equity in the Bank of Baroda, the State Bank of India and the Punjab National Bank, as reported; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir, (b) and (c) Government have decided to accept the recommendation of the Committee on Banking Sector Reforms for revising the stipulation of requirement of minimum share holding by Government in nationalised banks from 51% to 33%. This will enable the banks' increased access to the market for their requirement of capital which Government might not be in a position to meet on account of the competing claims on budgetary resources. Government of India has no shareholding in the State Bank of India.

Permission for appointment of Fund Manager in LIC

2054. DR. MOHAN BABU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Life Insurance Corporation of India (LIC) has sought Government's permission to appoint a US based firm as its U.K. Fund Manager;

(b) if so, whether the permission has been granted by Government; and

(c) the details of funds available with LIC for investment and whether Government would ask LIC to invest fund in the infrastructure development in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir.

(c) LIC's total life fund as on 31.03.1999 were Rs. 1,27,389.06 crores